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# Five-Year Exemptions



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## RENT CONTROL



Ministry  
of  
Housing



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## FIVE-YEAR EXEMPTIONS

Rental units in **new** residential buildings can be exempt from most of the *Rent Control Act* for five years. During this period, rent increases that a landlord can take are not limited to the guideline set by Rent Control. Tenants in exempt units cannot apply for rent reductions. The five-year exemption period begins on the date that the first unit in the new building or complex was first rented.

To qualify for the exemption, **all** of the following conditions must be met:

1. None of the units in the building were occupied before November 1, 1991, **AND**
2. The landlord must give new tenants written notice of the exemption, **AND**
3. The landlord must file a "Statement for New Residential Complex" (Form 13) with the area Rent Conrol office.

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### Some examples of exempt units:

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- a newly constructed building - if none of the units were occupied before November 1, 1991
- a house or condo unit which was never occupied before November 1, 1991
- an apartment in a house - if neither the house nor the apartment were occupied before November 1, 1991

- a commercial space which is converted into residential space - if no one ever lived there.

## The Notice of Exemption

The landlord must give *new* tenants a written notice of exemption *before* any tenancy agreement (oral, written or implied) is made.

The notice must show:

- a list of the sections of the *Rent Control Act* which apply to the unit during the exemption period; and
- the date the exemption ends.

A "Notice of a Temporary Exemption from Rent Control" (Form 3), is to be used for this purpose. (Form 3 is available at area Rent Control offices.)

If the notice is not given *before* the tenancy agreement is made, the exemption for the unit is lost and *all* of the *Rent Control Act* will apply to the unit.

However, for care homes that were in operation on November 23, 1993, the landlord has until November 21, 1994 to give current tenants a notice of the exemption. After that, the rules shown above apply to prospective tenants.

## Parts of the Act which still apply:

The five-year exemption is only a partial exemption. Some parts of the *Rent Control Act* still apply to these exempt units.

Although the rent can be increased *by any amount*, the Act states that:

- the rent can only be increased once every twelve months
- landlords must give 90 days written notice of a rent increase
- once a tenant receives a notice of rent increase, if the tenant does not give written notice to the landlord to say that he/she is moving, the tenant is considered to have accepted the rent increase.

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## For care homes:

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*The following rules also apply to care homes that are partially exempt:*

- landlords must give 90 days written notice of increases to meals or care services, and
- landlords must give new tenants a care home information package which tells tenants about the home and their rights. For more information please contact your area Rent Control Office.

## IMPORTANT!

The *Landlord and Tenant Act* still applies to most residential rental units, even if the unit is exempt from most of the *Rent Control Act*.

## **The Registry and exempt units:**

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The landlord must register the building *within six months* of the date that the first unit in the new complex was first rented. *However, if the complex is a care home, the deadline to register is November 21, 1994, or up to 6 months after the first unit is rented, whichever is later.*

To register, the landlord must file a "Statement for a New Residential Complex" (Form 13), with the area Rent Control office. The landlord is required to provide information about their name, address, information about the building, and the date the first unit in the building was rented. The landlord does not have to register the amount of rent for exempt units.

**If the information is not filed on time, the exemption is lost for all units and all of the *Rent Control Act* will apply.**

## **At the end of the five years...**

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When the five-year exemption period ends, the entire *Rent Control Act* will apply to rental units.

For example: if the first unit in a new building is first rented on December 1, 1992, the five-year exemption will end on November 30, 1997. All units in the building will be subject to the Act as of December 1, 1997, regardless of when they were first rented.

On the date that the entire Act first applies to the building, the landlord will have to register the rents that are charged on that date. In the above example, the landlord will have to register by December 1, 1997 the rents charged on that date. From that date, the rents can only increase according to the **Rent Control Act**.

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## Other exemptions:

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The **Rent Control Act** applies to most existing residential rental units in Ontario. However, here are other exemptions.

Some examples of other units that *may* be exempt:

- most vacation accommodation
- accommodation provided by a non-profit co-op housing corporation to its **members**
- accommodation where the occupant shares the bathroom and/or kitchen with the owner or owner's immediate family.

Contact your area Rent Control office if you want more information or wish to find out whether or not a building or unit is covered by Rent Control.

This guide is to help you understand rent control. The Rent Control Act, 1992 and its regulations should be consulted for an exact interpretation of the law.

## **RENT CONTROL OFFICES**

### **Barrie**

(705) 737-2111  
Toll-free: 1-800-461-2882

### **St. Catharines**

(905) 684-6562  
Toll-free: 1-800-263-4937

### **Hamilton**

(905) 528-8701  
Toll-free: 1-800-668-9565

### **Sudbury**

(705) 675-4373  
Toll-free: 1-800-461-9909

### **Kingston**

(613) 548-6770  
Toll-free: 1-800-263-6092

### **Thunder Bay**

(807) 475-1595  
Toll-free: 1-800-267-0898

### **Kitchener**

(519) 579-5790  
Toll-free: 1-800-265-8926

### **Timmins**

(705) 264-9555  
Toll-free: 1-800-461-5851

### **London**

(519) 679-7270  
Toll-free: 1-800-265-0937

### **Toronto**

(416) 326-9800

### **North Bay**

(705) 476-1231  
Toll-free: 1-800-463-4815

### **Etobicoke - City of York**

(416) 314-0780

### **Oshawa**

(905) 723-8135  
Toll-free: 1-800-461-0837

### **Mississauga**

(905) 270-3280  
Toll-free: Zenith 9-6000

### **Ottawa**

(613) 230-5114  
Toll-free: 1-800-263-8957

### **North York**

(416) 314-9550

### **Owen Sound**

(519) 376-3202  
Toll-free: 1-800-265-3737

### **Scarborough - East York**

(416) 314-8640

### **Peterborough**

(705) 743-9511  
Toll-free: 1-800-461-0255

### **Windsor**

(519) 253-3532  
Toll-free: 1-800-265-6924